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Findings and Order Preliminarily Approving Settlement, Directing Certain Payments, Directing the Issuance of Notice to the Class, Enjoining Prosecution of Released Claims, and Scheduling a Fairness Hearing (WILLIAM A. WILLIS)

Alice D. Bonner

Superior Court of Fulton County

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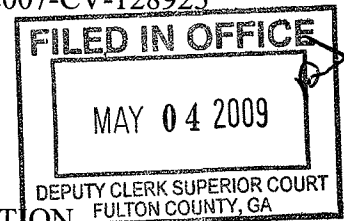
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IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA

Defendants.

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CLASS ACTION



Substantial questions remain for resolution in the Action following application of the rulings in the Plymel case. These include whether the Plymel rulings on the statute of limitations will be applied to this case without further litigation. In addition, the appropriate rates of interest

and the correctness of the Defendants' recalculations of benefits in light of the correct mortality tables, as well as the timing of compensatory payments, also remain in issue. In light of the remaining questions in the case and other considerations, including the delay inherent in continuing litigation, the Parties have entered into a Settlement Agreement, subject to the Court's approval and its determination of the fairness, reasonableness and adequacy of the settlement. If approved, the settlement would result in dismissal of the Action and a release of the Defendants.

NOW, on the motion of the Plaintiff and consent thereto of the Defendants, and upon reviewing the Settlement Agreement, including the exhibits attached thereto (collectively, the "Settlement Agreement"), the Complaint and all prior proceedings held herein, and the matter having come before the Court for consideration, it is hereby **ORDERED, ADJUDGED AND DECREED** as follows:

1. **Stay of the Action.** All discovery and other pretrial proceedings in the Action are hereby stayed and suspended until further order of the Court.

2. **Class Representative and Class Counsel.** Plaintiff William A. Willis has previously been designated as Class Representative. The law firms of Gregory & Forehand, Cook & Connelly, and Rogers & Hardin LLP have been designated as Class Counsel.

3. **Class Certification.** The Court previously certified a class in its Order of August 27, 2007 as follows:

All member beneficiaries and beneficiaries designated by members pursuant to O.C.G.A. § 47-2-121, and the estates of both groups to the extent they can be identified and located by Plaintiffs' counsel, who are owed either back-pay of benefits or prospective future correction of benefits, or both, in accordance with the ruling of the Georgia Supreme Court in its Order of October 30, 2006, *Plymel v. Teachers Retirement System of Georgia*, 281 Ga. 409, 637 S.E.2d 379 (2006), which the parties acknowledge constitutes binding precedent in this action, establishing that ERS has calculated optional retirement benefits that were not actuarially

equivalent to the benefits otherwise payable to those beneficiaries had they selected the maximum plan of retirement upon their retirements.

By Orders dated September 4 and 25, 2008, the Court directed that notice be provided to members of the Class of the pendency of this action and, among other matters, of their right to exclude themselves from the Class. The Court has been advised that the provisions of its Orders regarding notice have been implemented.

4. **Findings Regarding Proposed Settlement.** The Court finds that: (a) the proposed settlement resulted from extensive arms length negotiations and was concluded only after Class Counsel conducted discovery and consulted independent experts about the issues raised by the Plaintiff's claims; and (b) the proposed settlement evidenced by the Settlement Agreement is sufficiently fair, reasonable and adequate to warrant (i) sending notice of the proposed settlement to the members of the Class and (ii) thereafter holding a full hearing on the proposed settlement. Accordingly, the proposed settlement is preliminarily approved, subject to a further determination to be made after the Fairness Hearing.

5. **Settlement Administrator.** The Court finds as a matter of fact that The Garden City Group, Inc. is a firm that regularly provides class action administration services and is qualified and authorized to provide services to carry out the requirements of this Order. The Garden City Group, Inc., is appointed Settlement Administrator and is charged with carrying out the duties allocated to it under the Settlement Agreement and this Preliminary Approval Order. The reasonable fees and expenses incurred by the Settlement Administrator, including the costs of notice and the costs of administration of that portion of the settlement which is to be implemented before the Fairness Hearing, shall be paid as provided in the Settlement Agreement from the Fee and Expense Fund to be created and set aside pursuant to such Agreement, subject to Court approval as provided therein.

6. **Certain Payments.** The Settlement Agreement includes provisions that provide for payment of amounts to Class Members for whom ERS does not contest liability under the statute of limitations (such Class Members being those persons who first received retirement or survivor benefits from ERS on or after January 31, 2001, or their estates) even in the absence of a settlement. See Sections III(B), III(C) and XII(E) of the Settlement Agreement. The Parties are directed to make and implement those payments as provided in the Settlement Agreement, in advance of the Fairness Hearing, without prejudice to the right of any Class Member receiving such a payment to contend that the amount should be greater than the amount calculated by ERS, and without prejudice to the audit of such amount by Class Counsel.

7. **Fairness Hearing.** A hearing (the “Fairness Hearing”) will be held on **July 8, 2009, at 10:00 a.m. in Courtroom 9J** of the Superior Court of Fulton County, Georgia, 136 Pryor Street, Atlanta, Georgia 30316, to determine, among other things:

- (a) whether the proposed settlement of the Action should be approved as fair, reasonable and adequate and finally approved;
- (b) whether the Action should be dismissed pursuant to the terms of the Settlement Agreement;
- (c) whether members of the Class should be bound by the Release set forth in the Settlement Agreement;
- (d) whether members of the Class, and anyone acting on their behalf, should be permanently enjoined from, among other things, filing, commencing, prosecuting, maintaining, intervening in, participating in (as members of the Class or otherwise), or receiving any benefits from, any other lawsuit, arbitration, or administrative, regulatory or other proceeding or order in

any jurisdiction based on or relating to the claims released, waived and precluded by the Release;

- (e) whether Class Counsel's application for an award, from which attorneys' fees, expenses of litigation, expenses of notice and administration of the settlement, and an incentive award for the Class Representative are to be paid, should be approved; and
- (f) whether the application of the representative Plaintiff for an incentive award should be approved.

The submissions of the parties in support of the settlement shall be filed with the Court at least seven (7) days prior to the Fairness Hearing and may be supplemented up to two (2) days prior to the Fairness Hearing.

8. **Pre-Hearing Notices to Class Members.**

(a) The Settlement Administrator shall create the Class Notice List within five (5) days of entry of this Order. As provided in the Settlement Agreement, the Settlement Administrator shall use the list previously used to provide notice of the pendency of this action and of certification of the Class pursuant to the Court's Order of September 4, 2008, and shall add to that list information obtained in the course of administering that prior notice and such additional information as Class Counsel and ERS may provide (including but not limited to any updated address information available), with the goal and purpose of providing the most extensive and reliable list for implementing distribution of the Class Notice Package. The Settlement Administrator shall omit from the Class Notice List those persons who have previously requested to be excluded from the Class.

(b) No later than sixty (60) days before the Fairness Hearing, the Settlement Administrator shall send to each person on the Class Notice List via first-class mail a First-Class Mail Notice substantially in the form attached hereto as Exhibit 1.¹ The First-Class Mail Notice attached hereto as Exhibit 1 includes information about the proposed settlement of this action and also about the proposed resolution of the Plymel appeal that is the subject of the Court's separate order entered in this action in conjunction with this order. The Court concludes that it is proper and appropriate in this instance to mail a combined notice, rather than separate notices, to Class Members in light of the relation between the resolution of Plymel and the settlement of this action.

(c) The Settlement Administrator shall also send a First-Class Mail Notice to each person who requests such notice from the Settlement Administrator within seven (7) business days after receiving the request. Furthermore, the Settlement Administrator will set up a variety of methods by which the First-Class Mail Notice can be obtained easily, including by downloading from the Settlement Administrator website, by toll-free telephone request, and by mail request to the Settlement Administrator.

(d) The Settlement Administrator shall: (a) re-mail any First-Class Mail Notice returned by the United States Postal Service as undeliverable with a forwarding address; (b) research addresses for any First-Class Mail Notice returned without a forwarding address or retain an address research firm to research such addresses; and (c) re-mail a First-Class Mail Notice to any Class Member for whom an updated address is discovered through such research within seven (7) business days of receiving the updated address; provided, however, that all such

¹ Such notice shall inform Class Members of their right to object to the terms of the settlement, including an award of attorneys' fees and expenses at the Fairness Hearing. Additionally, such notice shall include the deadline to file an objection in this case (July 1, 2009).

re-mailings by the Settlement Administrator shall be accomplished no later than twenty (20) days before the Objection Date set pursuant to this Order.

(e) In addition to the mailing specified above, the Settlement Administrator shall conduct a computerized database search to identify, to the extent reasonably practicable, the estate representative or a close relative of any deceased option-plan retiree or deceased option-plan beneficiary for whom such estate representative or close relative has not been identified; provided, however, that the Settlement Administrator, in the exercise of its reasonable discretion, may conclude that the similar search conducted pursuant to the Court's Order of September 4, 2008, need not be repeated in its entirety and it may conclude that a substantially more limited search be conducted. At the conclusion of the search, a copy of the First-Class Mail Notice shall be mailed to the estate representative or close relative identified by the search if such estate representative or close relative is not already included in the Class Notice List. It is further provided that failure of either a search pursuant to the terms of this Order or of the Court's September 4, 2008 Order to identify an estate representative or a close relative shall in no way invalidate the propriety of the notice directed in this Order or in the Court's September 4, 2008 Order.

(f) The Settlement Administrator shall continue to maintain and administer the Internet website created in connection with the Court's Order of September 4, 2008 and shall add thereto information advising that a settlement has been submitted to the Court for approval, with sidebar links to this Order, the Settlement Agreement, and the First-Class Mail Notice and the Publication Notice.

(g) Defendants are further ordered to continue to maintain prominently, on the Internet website of Defendant ERS, until further order of this Court, the following language, along with a computerized link to access a copy of the Notice:

Pursuant to the Order of the Fulton County Superior Court in the class action case of *William A. Willis, et al., Plaintiffs v. Employees Retirement System of Georgia, et al., Defendants*, Civil Action File No. 2007-CV-128923, all interested persons may obtain a copy of the Legal Notices approved by the Court in this case either by accessing the link provided to this Notice on this website or by contacting The Garden City Group at 1-800-893-4364.

(h) In addition to the foregoing, notice to Class Members in substantially the form attached hereto as Exhibit 2² will be published on two separate days within the two weeks following the mailing to persons on the Class Notice List, including a Sunday, in the ten (10) newspapers published in Georgia with the highest circulation in the State of Georgia. The Publication Notice attached hereto as Exhibit 2 includes information about the proposed settlement of this action and also about the proposed resolution of the Plymel appeal that is the subject of the Court's separate order entered in this action in conjunction with this order. The Court concludes that it is proper and appropriate in this instance to publish a combined notice, rather than separate notices, to Class Members in light of the relation between the resolution of Plymel and the settlement of this action.

(i) The Settlement Administrator shall continue to maintain a call center with toll-free calling access to provide information about the case to Class Members.

(j) Class Counsel shall, based upon information furnished to counsel by the Settlement Administrator, certify to the Court that the requirements of this Order and of the Court's Orders of September 4 and 25, 2008, with respect to notice have been carried out. Class

² Such notice shall inform Class Members of their right to object to the terms of the settlement, including an award of attorneys' fees and expenses at the Fairness Hearing. Additionally, such notice shall include the cut off dates for filing an objection in this case (July 1, 2009).

Counsel shall provide such certification no later than ten (10) days before the Fairness Hearing. Such certification by Class Counsel shall satisfy any obligation on the part of Class Counsel to identify and locate class members contained in the Order Certifying a Class dated August 27, 2007.

9. **Findings Concerning Notice.** Having considered, among other factors: (a) the cost of giving notice by various methods; (b) the resources of the parties; (c) the stake of each member of the Class; and (d) the terms of the Court's prior orders of September 4 and 25, 2008 directing notice (which notice the Court is advised has been implemented), the Court finds that notice given in the form and manner provided in Paragraph 8 of this Order is the best practicable notice and is reasonably calculated, under the circumstances, to apprise the members of the Class: (a) of the pendency of this Action; (b) of the terms of the proposed settlement; (c) that any member of the Class who has not requested or does not request exclusion may object to any aspect of the proposed settlement and, if he or she desires, enter an appearance personally or through counsel; and (e) that any judgment, whether favorable or not, will bind all members of the Class who have not requested exclusion. The Court further finds that the notices attached as Exhibits 1 and 2 to this Order are written in simple terminology and are readily understandable by Class Members. In sum, the Court finds that the proposed notice texts and methodology are reasonable; that they constitute due, adequate and sufficient notice to all persons entitled to be provided with notice; and that they meet all applicable requirements of the Georgia Code, the Uniform Superior Court Rules, the Georgia Constitution, the United States Constitution (including the Due Process Clause), and any other applicable law.

10. **Objections and Appearances**

(a) **Written Objections.** Any member of the Class who has not timely requested exclusion from the Class and who complies with the requirements of this paragraph may object to any aspect of the proposed settlement, including the fairness, reasonableness or adequacy of the Settlement Agreement or the proposed settlement, the adequacy of the representation of the Class by the Plaintiff or Class Counsel, and the award of attorneys' fees, expenses of litigation, expenses of notice and of administration of the settlement, and an incentive award to the Class Representative. The member of the Class may assert such objections either on his or her own or through an attorney hired at his or her expense. Any member of the Class who wishes to so object must file with the Clerk of Court and deliver to Class Counsel and Defendants' Counsel a written statement of objection. The statement must reference the Action and must include: (i) a statement of each objection being made; (ii) a detailed description of the legal authorities underlying each such objection; (iii) a statement of whether the objector intends to appear at the Fairness Hearing; (iv) a list of witnesses whom the objector may call by live testimony, oral deposition testimony or affidavit during the Fairness Hearing; (v) a description of the testimony to be offered; and (vi) a list of the exhibits which the objector may offer during the Fairness Hearing, along with copies of those exhibits. The member of the Class must file the statement with the Clerk of this Court and provide a copy to each of the following:

Annette M. Cowart, Esq.
Senior Assistant Attorney General
Christopher A. McGraw, Esq.
Assistant Attorney General
Office of the Attorney General
40 Capital Square, S.W.
Atlanta, GA 30334

David A. Forehand, Jr., Esq.
Gregory & Forehand

602 East 16th Avenue
Suite D
Cordele, GA 31015

Richard H. Sinkfield, Esq.
Rogers & Hardin LLP
2700 International Tower
229 Peachtree St., NE
Atlanta, GA 30303

The Clerk of Court, Class Counsel and Defendants' Counsel must receive any such written objections by **5:00 p.m. on July 1, 2009** (the "Objection Date"). Any member of the Class who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the settlement, and any untimely objection shall be barred. The Court, within its discretion, may order the deposition prior to the Fairness Hearing of any member of the Class who has not filed a timely written request for exclusion and who files an objection to the fairness, reasonableness or adequacy of the Settlement Agreement or the proposed settlement, the adequacy of the representation of the Class by the Plaintiff or Class Counsel, or the award of attorneys' fees, expenses of litigation, expenses of notice and of administration of the settlement, and the incentive award to the Class Representative.

(b) **Notice of Appearance.** If a member of the Class hires an attorney to represent him or her, the attorney must file a notice of appearance with the Clerk of Court, and deliver a copy of that notice to Class Counsel and Defendant's Counsel, at the addresses set forth in Paragraph 10(a) of this Order. The Clerk of Court, Class Counsel and Defendants' Counsel must receive such notices of appearance no later than the Objection Date, or the attorney shall be barred from appearing at the Fairness Hearing.

(c) **Appearance at Fairness Hearing.** Any member of the Class who files and serves a timely, written objection pursuant to the terms of Paragraph 10(a) of this Order and complies with the requirements of this paragraph may also appear at the Fairness Hearing either in person or through counsel retained at the member of the Class' expense. Members of the Class or their attorneys intending to appear at the Fairness Hearing must deliver to Class Counsel, Defendants' Counsel and file with the Clerk of Court, at the addresses specified in Paragraph 10(a) of this Order, a notice of intention to appear, setting forth the case number and the name, address and telephone number of the member of the Class (and, if applicable, the name of the member of the Class' attorney). Notices of intention to appear must be filed with the Clerk of Court and received by Class Counsel and Defendant's Counsel no later than the Objection Date. Any Class Member or member of the Class' attorney who does not timely file and serve a notice of intention to appear pursuant to the terms of this paragraph shall not be permitted to appear at the Fairness Hearing.

(d) **Frivolous Objections.** Any objection filed pursuant to Paragraph 10 of this Order may be deemed frivolous, and the Court reserves the right to award appropriate attorneys' fees, costs and expenses to Class Counsel or Defendant's Counsel.

(e) **Non-Compliance.** Any member of the Class who fails to comply with the orders of the Court, including the requirements set forth in Paragraph 10 of this Order, shall waive and forfeit any and all rights he or she may have to appear separately or to object and shall be bound by all the terms of the Settlement Agreement and by all proceedings, orders and judgments in this Action.

11. **Preliminary Injunction.** All proceedings in this Action and all claims that are subject to release, waiver and preclusion by the Release, as described in the Settlement

Agreement, currently being asserted by or on behalf of any member of the Class in any forum, are stayed until final determination of whether the settlement should be approved, except as may be necessary to implement the settlement or comply with the terms of the Settlement Agreement. Pending final determination of whether the Settlement should be approved, neither the Class Representative, any member of the Class, nor any person acting in his, her, or their behalf shall commence or prosecute any action or proceeding in any court or tribunal against the Defendants which asserts any claim that is subject to release, waiver and preclusion by the Release, either on behalf of an individual or a putative class, except for those who have timely excluded themselves from the Class. This stay and injunction are necessary to protect and effectuate the settlement and preserve the Court's jurisdiction over the Class pursuant to O.C.G.A. § 9-11-23.

12. **Service of Papers.** Defendants' Counsel and Class Counsel shall serve on each other and on all other persons who have filed notices of appearance, at or before the Fairness Hearing, any further documents in support of the proposed settlement, including responses to any papers filed by members of the Class. Defendants' Counsel, Class Counsel and any other plaintiff's counsel shall promptly furnish to each other any and all objections or written requests for exclusion that may come into their possession and shall file such objections. Class Counsel or the Settlement Administrator shall file a list reflecting requests for exclusion with the Court on or before the date of the Fairness Hearing.

13. **Termination of Settlement.**

(a) Except as provided in subparagraph (b), this Order shall become null and void, and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if: (a) the proposed settlement is not finally approved by the Court, or does not become final, pursuant to

the terms of the Settlement Agreement; or (b) the proposed settlement is terminated in accordance with the Settlement Agreement; or (c) the proposed settlement does not become effective as required by the terms of the Settlement Agreement or for any other reason. In such event, the proposed settlement and Settlement Agreement shall become null and void and be of no further force and effect except as specifically provided to the contrary in the Settlement Agreement, and neither the Settlement Agreement nor the Court's orders, including this Order, shall be used or referred to for any purpose whatsoever except as specifically provided to the contrary in the Settlement Agreement.

(b) Consistent with and without limiting the generality of subparagraph (a), all payments made under Section III of the Settlement Agreement prior to the time, if ever, when this Order becomes null and void (which payments represent amounts that the Defendants do not contest are owed to or for the benefit of Class Members) shall remain in place to the extent provided in the Settlement Agreement, and the Defendants shall not seek to recover or reduce those payments, it being agreed by the Parties and directed by the Court that, as provided in the Settlement Agreement, these payments are to be made in advance of the Fairness Hearing and distributed for the benefit of Class Members by the Settlement Administrator or, in the case of Future Upward Adjustments, by ERS in part. Such payments are made with prejudice to the Defendants' right to recover or otherwise make claim to the funds (except as may be provided in the Settlement Agreement with respect to certain present value payments), and the fact of payment shall not be used as a bar to a claim that the payments are less than the amounts due.

14. **Amendments.** The terms and provisions of the Settlement Agreement may be amended, modified or expanded by agreement of the parties in writing and approved by the

Court without further notice to the Class if such changes are consistent with this Order and do not limit the rights of members of the Class.

15. **Capitalized Terms.** Capitalized terms used in this Order but not defined shall have the meaning ascribed to them in the Settlement Agreement.

16. **Communications with Class Members.** Neither the Parties nor any member of the Class (including any attorney or other representative or agent of any party or member of the Class) shall issue any public, mass, or generalized communications about the settlement (other than disclosures required by law) prior to the entry of the Final Order and Judgment, whether by press release or any other means, without the prior written consent of the other Parties. In no event shall any public, mass, or generalized communications about the settlement disparage, demean or criticize the settlement, the Settlement Agreement, any of the Parties or any representative, attorney or agent of the Parties. Further, in no event shall any public, mass or generalized communications discuss or suggest the aggregate value of the settlement or the Settlement Agreement, including fees paid to Class Counsel.

17. **The Ninety Per Cent Rule.** The Parties are directed to file motions for summary judgment, in compliance with the provisions of Section III of the Settlement Agreement, with respect to the ERS rule that, in general, limits retirement benefits to ninety per cent (90 %) of a member's highest salary or compensation.

18. **Continuance of Hearing.** The Court reserves the right to continue the Fairness Hearing without further written notice. If the Fairness Hearing is continued from the currently scheduled date of July 8, 2009, information regarding a rescheduled Fairness Hearing will be posted on the settlement website.

SO ORDERED this 4th, day of May, 2009.

Alice D. Bonner
ALICE D. BONNER
Senior Judge, Superior Court of Fulton County,
Business Case Division

**IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA**

WILLIAM A. WILLIS, et al.,)(
)(CIVIL ACTION
Plaintiffs,)(FILE NO. 2007-CV-128923
)(
v.)(
)(
EMPLOYEES RETIREMENT SYSTEM)(
OF GEORGIA, et al.,)(
)(CLASS ACTION
Defendants.)(
)(

**NOTICE OF HEARINGS IN CLASS ACTION ON MAY 18, 2009 AND JULY 8, 2009
AND OF OBJECTIONS DUE ON MAY 14, 2009 AND JULY __, 2009**

A court authorized this notice. This is not a solicitation from a lawyer.

This notice relates to a class action in which retired members of the Employees Retirement System of Georgia (ERS) who selected an option plan retirement seek to recover for miscalculation of their benefits. The class includes retirees who retired after on or after March 1, 1992 but before March 1, 2007; persons named to receive benefits after those retirees' deaths if such persons survived the retirees who named them and in fact received benefits; beneficiaries of ERS members who died in service before retiring; and the estates of these persons. The Superior Court has previously ordered that notice be provided to class members about the case. You may already have received that notice, but if you have not or if you need an additional copy, you may obtain one by going to the website, www.erssuit.com, or by calling 1-800-893-4364. You should review that notice for additional background and information.

This case is one of several cases pending in the Superior Court of Fulton County, Georgia in which the plaintiffs assert claims arising from failure by certain state retirement systems to properly calculate retirement benefits when a retiree chooses an "option plan" retirement. The first-filed of these cases is Plymel v. Teachers Retirement System of Georgia. Both the Court and the parties have previously recognized that the decisions on the applicable law in Plymel (both in the Superior Court and on appeal) in substantial respects have applied and will apply to the other cases, including this case.

This notice relates to two upcoming hearings in this case. The first hearing is currently set for May 18, 2009 and is discussed below in the section of this notice under the title "The May 18, 2009 Hearing and the Proposed Resolution of Plymel." This first hearing relates to a proposed resolution of the Plymel case that can have an effect on the outcome of this case. If you wish to object to the proposed resolution of the Plymel case or attend the hearing, you will need to file papers with the Clerk of the Superior Court by May 14, 2009. For more information, please carefully read the section of this notice titled "The May 18, 2009 Hearing and the Proposed Resolution of Plymel."

The second hearing is currently set for July 8, 2009 and is discussed below in the section of this notice titled "The July 8, 2009 Hearing and the Proposed Settlement of This Case." This second hearing relates to a proposed settlement of **this case**. This second hearing is related to the May 18, 2009 hearing because the terms of the proposed settlement of this case are tied to the terms on which the Plymel case comes to a conclusion. If you wish to object to the proposed settlement in this case or attend the July 8, 2009 hearing, you will need to

file papers with the Clerk of the Superior Court by July __, 2009. For more information, please carefully read the section of this notice under the title "The July 8, 2009 Hearing and the Proposed Settlement of This Case."

QUESTIONS? CALL 1-800-893-4364, WRITE THE GARDEN CITY GROUP AT _____ OR VISIT THE WEBSITE AT WWW.ERSSUIT.COM.

THE MAY 18, 2009 HEARING AND THE PROPOSED RESOLUTION OF *PLYMEL*

The Statute of Limitations and the Court of Appeals Decision in *Plymel*. Two of the questions to be resolved in this class action are (1) the correct statute of limitations to be applied to the claims of class members; and (2) the time at which the statute of limitations begins to run on the claims of class members. Statutes of limitations are provisions that cut off or preclude a claim that arose at a time that, under the law, is considered to have been too long ago to be the subject of a lawsuit.

The Court of Appeals of Georgia ruled on February 19, 2009 that class members' claims in Plymel are subject to a six-year statute of limitations. The Court of Appeals also ruled that the statute of limitations begins to run (or operates) such that, even if class members in Plymel first began to receive benefits more than six years before the case was filed, they can recover amounts that they should have been paid beginning six years before the case was filed and coming forward to the present time. They can also recover an upward adjustment of their future benefits. Under the Court of Appeals' ruling, class members in Plymel will not recover any amounts relating to benefits paid more than six years before the case was filed. The Court of Appeals also ruled on the rate of interest to be paid by the Teachers Retirement System and on attorneys' fees to be paid from funds recovered for the Class.

On March 23, 2009, the Court of Appeals denied the parties' requests that it should reconsider its rulings on the statute of limitations. You can review a copy of the Court of Appeals' opinion at the website at www.erssuit.com.

The parties in Plymel propose to resolve the Plymel appeal by foregoing pursuit of any further appeal to the Georgia Supreme Court. Under this proposed agreement, the Court of Appeals' rulings on the statute of limitations would be the law governing payments to Class Members in Plymel. You can read more about this proposed agreement in the paragraphs of this notice below that begin with "The Proposed Resolution of *Plymel*."

Under the proposed settlement of **this case** discussed below in the section of this notice titled "The July 8, 2009 Hearing and the Proposed Settlement of This Case," the parties would agree to apply the final rulings in Plymel on the statute of limitations to this case, whether those rulings become final in Plymel because the parties agree not to pursue a further appeal or because a further appeal sets the final law. If the proposed agreement in Plymel is finally approved and if the proposed settlement in this case is also finally approved, then the Court of Appeals' rulings on the statute of limitations described earlier in this notice would be the law governing both Plymel and this case.

This case was filed on January 31, 2007 so that the date of January 31, 2001 begins the time for which recoveries are permitted in this case if the Court of Appeals' rulings in Plymel are applied to this case. Under those rulings, class members in this case who retired before January 31, 2001, as well as beneficiaries who first received benefits before January 31, 2001, should be able to seek some amount of increased back benefits but only for the period since January 2001, as well as an adjustment of their future benefits. No estate of any ERS retiree or beneficiary who received benefits before January 31, 2001 but then died before January 31, 2001 will receive any recovery under the Court of Appeals' ruling. Note also that there may be other limitations on

recovery, as described in the section of this notice titled “The July 8, 2009 Hearing and the Proposed Settlement of This Case,” including the outcome of individual calculations and the application of an ERS rule that, in general, limits retirement benefits to ninety per cent (90 %) of a member’s highest salary or compensation.

The following examples illustrate how the Court of Appeals’ decision in Plymel would be applied to this case. They don’t address all possible circumstances and are provided to assist with class members’ consideration of the impact of the decision in Plymel on their individual circumstances:

Example 1. If an ERS retiree retired on January 1, 1998, and is still living, ERS would be responsible for underpayments accruing to this retiree, with interest, from January 31, 2001 through the date of ERS’s payment. In addition, ERS would be responsible for future monthly increases to the retiree.

Example 2. If an ERS retiree retired on January 1, 1998 and died on January 1, 2002 but his or her beneficiary is alive and receiving monthly payments, ERS would be responsible for underpaid back benefits to the estate of the deceased ERS retiree from January 31, 2001 through January 1, 2002, and ERS would be responsible for underpaid back benefits to the retiree’s beneficiary accruing from January 1, 2002 until the time of payment. In addition, ERS would be responsible for future monthly increases to the retiree’s beneficiary.

Example 3. If an ERS member died in service in 1998 before retiring and the member’s death-in-service beneficiary is still in life, ERS would be responsible for all underpaid back payments to the beneficiary accruing from January 1, 2001 through the time of payment, and ERS would also be responsible for future increases to the beneficiary.

Example 4. If the ERS retiree retired on January 1, 1993 and died on February 1, 1998, and the retiree’s sole beneficiary died on January 1, 2000, no payments would be owed to the estate of either the retiree or the beneficiary.

Example 5. If an ERS member retired on or after January 31, 2001, ERS would be responsible for all underpaid back benefits, and ERS would also be responsible for future increases to the retiree. If such a member died after retiring, ERS would be responsible for all underpaid back benefits to the estate of the deceased ERS retiree.

The Proposed Resolution of *Plymel*. Both sides in the Plymel case could pursue a request that the Georgia Supreme Court accept a further appeal, and the Supreme Court would decide whether to accept the appeal or not. For example, the Plaintiffs could ask the Supreme Court to consider whether the twenty-year statute of limitations should be applied instead of the six-year statute of limitation. The Defendants could ask the Supreme Court to consider whether the Court of Appeals’ ruling on when the statute of limitations begins to run is correct. If the Supreme Court were to consider either or both of these questions, its rulings could substantially alter the outcome for a number of class members.

The Defendants in Plymel are willing **not** to pursue a further appeal if the Plaintiffs in Plymel will also **not** pursue a further appeal. Class Counsel, on examining whether or not to pursue a further appeal, have recognized that some class members could benefit from an appeal if the Supreme Court were to rule that a twenty-year statute of limitations applies. However, a number of class members could lose the recovery that results from applying the Court of Appeals rulings if the Supreme Court were to apply a six-year statute of limitations but were to disagree with the Court of Appeals on the time at which the statute begins to run. In light of differing potential impacts of the appeal on class members, the uncertainty and inability to predict the outcome of a further appeal, and the risk that substantial benefits presently granted to class members under current rulings could be lost, Class Counsel have asked the Superior Court, in the exercise of its authority to

supervise the handling of a class action, to consider whether or not Plymel may be resolved by the Plaintiffs making an agreement with the Defendants that any further appeal will be dismissed or withdrawn and the matter will be permitted to become final on the terms and conditions provided in the opinion of the Court of Appeals. Class Counsel have recommended that the Superior Court approve an agreement on these terms. If the Superior Court approves such an agreement in Plymel and that approval becomes final, then no party to the case will pursue an appeal from the Court of Appeals' decision and the Court of Appeals' rulings will control further payments to class members in Plymel. If that were to be the result in Plymel, then the same rulings would be applied to claims of class members in this case under the settlement proposed for this case.

Both the Plaintiffs and the Defendants in Plymel have filed requests that ask the Supreme Court to consider taking a further appeal. These requests have been filed so that the time to do so will not expire while the Superior Court is considering the proposed agreement. If the proposed agreement in Plymel is approved and that approval becomes final, the Plaintiffs and the Defendants will seek to withdraw or dismiss their requests.

The Superior Court has agreed to consider this question in Plymel, and it has preliminarily approved an agreement on the basis just described. Because resolving the question of entering into an agreement as described in Plymel can affect the claims of class members in this case, the Court has also directed that class members in this case be given this notice and an opportunity to be heard on the question of whether to finally approve the proposed agreement in Plymel. You can review and obtain a copy of the Superior Court's Order in this case at the website at www.erssuit.com. By following the procedures described below, class members can file objections to the proposed agreement in the Plymel case, and they may also appear at the hearing the Superior Court has set at __.m. on May __, 2009, in Courtroom __ of the Superior Court, _____, Atlanta, Georgia, _____. Further requirements for attorneys are contained in the Superior Court's Order. If you don't object and the Superior Court finally approves the agreement in Plymel, you will be bound by its decision.

If class members wish to file objections or appear, they should file with the Clerk of Court and deliver to Class Counsel and Defendants' Counsel, at the addresses provided below, a written objection which references the name and case number that appears at the beginning of this Notice and that also contains a statement of each objection being made and a statement of whether you intend to appear at the hearing. Class members may object or appear either on their own or through an attorney hired at their individual expense. **The objection should be filed with the Clerk by 5:00 p.m. on May 14, 2009 and delivered to Class Counsel and Defendants' Counsel at the same time. Further requirements for attorneys are contained in the Superior Court's Order.** The addresses to use are as follows:

Court	Class Counsel	Defense Counsel
Clerk of Court Superior Court of Fulton County Attention: _____ [Add address]	David A. Forehand, Jr., Esq. Gregory & Forehand 602 East 16th Avenue Suite D Cordele, GA 31015 Richard H. Sinkfield, Esq. Rogers & Hardin LLP 2700 International Tower 229 Peachtree St., NE Atlanta, GA 30303	Annette M. Cowart, Esq. Senior Assistant Attorney General Christopher A. McGraw, Esq. Assistant Attorney General Office of the Attorney General 40 Capital Square, S.W. Atlanta, GA 30334

THE JULY 8, 2009 HEARING AND THE PROPOSED SETTLEMENT OF THIS CASE

As the notice sent to the Class earlier in this case states, the Plaintiff contends in this lawsuit that ERS miscalculated payments to retirees who decided to take an option-plan retirement, to persons the retirees named as their beneficiaries, and to persons who received benefits after a member died in service before retiring. ERS has agreed and the Court has ruled that ERS used outdated mortality tables and, as a result, miscalculated option-plan retirement benefits for all Class Members.

The miscalculations have a varying impact on Class Members, depending upon a number of factors, including the options chosen and ERS' application of a rule that, in general, limits retirement benefits to ninety per cent (90 %) of a member's highest salary or compensation. A number of retirees and beneficiaries have received lesser benefits since 1992 than they were entitled to receive.

The parties have proposed to settle this case on terms under which Class Members who first received benefits on or after January 31, 2001 will receive payment of amounts that ERS admits are due for past benefits, as well as adjustment of future benefits, in the early summer of 2009. These amounts are expected to be paid before the settlement is finally approved because ERS does not contest that at least these amounts are due. These amounts are not affected by the rulings on the statute of limitations discussed above.

Payment of amounts and adjustment of future benefits for other Class Members will be held in abeyance until the appeal in the Plymel case is finally resolved and the rulings in Plymel on the statute of limitations are applied to this case. Depending upon the outcome in Plymel, the remaining Class Members may or may not get any payments as a result of this case. For example, if the Plymel appeal concludes with the Court of Appeals' February 19, 2009 rulings on the statute of limitations in effect (which is what would occur in the proposed resolution of Plymel discussed above), then Class Members would be paid in this case under those same rulings. On the other hand, if the Plymel appeal concludes with a different statute of limitations in place or a different ruling on when the statute of limitations begins to run, then the remaining Class Members in this case would be paid under those rulings. It is possible that those rulings would mean that no payments are due.

Please be aware that, regardless of the rulings in Plymel on the statute of limitations, whether individual Class Members will receive any money will depend upon the effect of the correct mortality tables on their own individual calculations. In addition, the settlement calls for resolution by the Court of whether or not ERS' rule is valid that imposes a limit of ninety per cent (90%) of a member's highest salary or compensation on the amount of retirement benefits ERS may pay. A number of Class Members are not expected to receive any payment as a result of re-calculations using correct mortality tables if this rule is upheld.

- **Your legal rights may be affected whether you act or don't act. Read this notice carefully.**

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BASIC INFORMATION

1. What is this lawsuit about?

The lawsuit is called *Willis, et al. v. Employees Retirement System of Georgia, et al.*, No. 2007-CV-128923, and it is pending in the Superior Court of Fulton County, Georgia. The person who sued is called the "Plaintiff," and the parties being sued are called the "Defendants." Judge Alice Bonner in the Superior Court of Fulton County, Georgia is presiding over the case.

The Plaintiff (acting on behalf of the Class) claims that the Defendants violated Georgia law, breached contracts, and breached fiduciary duties when they failed to take the correct mortality tables into account and miscalculated option-plan retirement benefits. The Georgia Supreme Court ruled in 2006 in the Plymel case that the defendants in that case failed to take correct mortality tables into account when calculating option-plan

retirement benefits for a different state retirement system. The parties and the Court agree that the Georgia Supreme Court's rulings apply to this case. In light of the rulings, a number of retirees who selected an option plan retirement with ERS were underpaid. In addition, certain persons named to receive benefits after the retirees' deaths were underpaid if they survived the retirees who named them and received benefits. Also, beneficiaries of ERS members who died in service before retiring may have been underpaid. The estates of all of these persons also may be affected.

2. Why was this notice issued?

The Court has allowed, or "certified," a class action lawsuit that may affect you. After certifying the Class, the Court ordered on September 4 and 25, 2008 that notice that the case is pending be given to the Class, and you may have seen the notice that was sent out following that order. For more information or to obtain a copy of that notice for your review, visit the website at www.erssuit.com or call 1-800-893-4364.

You are receiving this further notice because the parties to the case have reached agreement on the terms of a proposed settlement, and the Court has directed that further notice be published to summarize your rights and options before a final hearing on whether the settlement should be approved. If you have not previously excluded yourself from the Class as provided in the earlier notice, you will be legally bound by the Court's judgments in this lawsuit.

3. Why is there a settlement?

The Plaintiff and his attorneys ("Class Counsel") have agreed to settle the case after considering, among other things, the substantial benefits available to Plaintiff and the Class under the terms of the settlement; the attendant risks and uncertainty of continuing litigation, especially in complex cases such as this, as well as the difficulties and, in particular, the delays inherent in such litigation; and the corresponding desirability of consummating this Agreement promptly to provide effective relief to the Plaintiff and the Class Members. Plaintiff and Class Counsel have concluded that this settlement is fair, reasonable and adequate.

WHO IS IN THE SETTLEMENT

To see if you can get benefits from this settlement, you first have to determine if you are a Class Member.

4. How do I know if I am part of the settlement?

The Court decided that persons who retired as members of ERS and who selected an option-plan retirement in the period March 1, 1992 through February 28, 2007 may be affected by the miscalculations. In addition, persons may be affected who were named to receive and did receive benefits after the deaths of these retirees, as well as persons who began to receive benefits during the period March 1, 1992 through February 28, 2007 because they were named as beneficiaries by members of ERS who died in service before retiring. The estates of any of these persons may also be affected. All of these persons or estates are members of the Class. Regardless of whether the case is settled or not, please be aware that a substantial number of Class Members may not receive any funds because of the results of the re-calculations, in large part because of an ERS rule that imposes a limit of ninety per cent (90%) of a member's highest salary or compensation on the amount of retirement benefits ERS may pay. The validity of that rule is being challenged and should be resolved in connection with the proposed settlement.

5. Are there exceptions to being included?

You are not included in the lawsuit if you retired as a member of ERS and have always had the “maximum plan retirement” since you retired. If you are not sure whether you are included in the Class, you may call 1-800-893-4364 with questions or you may write The Garden City Group at _____ or you may review additional documents at the website at www.erssuit.com.

THE SETTLEMENT BENEFITS-WHAT YOU GET

6. What does the settlement provide?

Under the proposed settlement, repayment of amounts owed to Class Members for whom ERS does not contest liability (generally, those whose claims arose on or after January 31, 2001), as well as adjustment of future benefits, will be expedited and should commence in the early summer of 2009 if the settlement is approved. Payment of amounts and adjustment of future benefits for other Class Members will be held in abeyance until the rulings in the separate Plymel case on the length of the “statute of limitations” and the time at which it begins to run are final in the sense that they are not subject to anyone in that case taking a further appeal. Payments of back benefits, when made, will include interest at the rate of 4 %. Depending upon the rulings in Plymel at that time, the remaining Class Members may or may not get any payments because of this case. Please see the section of this notice titled “May 18, 2009 Hearing and the Proposed Resolution of Plymel” for information about the proposed agreement in Plymel that would, if approved, make the rulings of the Court of Appeals in that case final.

Please be aware that whether individual Class Members will receive any money will depend upon the effect of the correct mortality tables on their own individual calculations. In addition, the settlement calls for resolution by the Court of whether or not ERS’ rule is valid that imposes a limit of ninety per cent (90%) of a member’s highest salary or compensation on the amount of retirement benefits ERS may pay. A number of Class Members are not expected to receive any payment as a result of re-calculations using correct mortality tables if this rule is upheld. It is not possible to state at this time how much each Class Member will receive, if anything.

7. What am I giving up to accept the settlement? What claims am I releasing?

If the settlement becomes final, you will be releasing ERS from all the claims identified in Section VIII of the Settlement Agreement. This includes claims that are based on the failure of the Defendants to use the correct mortality tables to calculate option-plan retirement benefits for Class Members in accordance with the decision of the Supreme Court of Georgia in the related case of Plymel v. Teachers Retirement System of Georgia. This also includes claims that are based on applying ERS’ rule that that imposes a limit of ninety per cent (90%) of a member’s highest salary or compensation on the amount of retirement benefits ERS may pay. This release does not include other claims of any Class Member relating to the calculation or determination of benefits owed or claimed to be owed by the ERS to such Class Member. The Settlement Agreement is available at www.erssuit.com or by calling 1-800-893-4364, and it describes the Released Claims with more specificity, so read it carefully. Talk to Class Counsel (see the section below on “The Lawyers Representing You”) or your own lawyer if you have questions about the claims you will be releasing or what the terms of the Settlement Agreement mean. For your convenience, the exact terms of Section VIII of the Settlement Agreement are also set out below:

VIII. RELEASE, COVENANT, AND PRECLUSION

A. In return for the consideration provided in the Agreement, the Plaintiff and all other Class Members, on their behalf and on behalf of all other Releasors, shall release, acquit and forever discharge

the Releasees from any and all past and present actions, suits, causes of action, claims, damages, awards, equitable, legal and administrative relief, interest, demands or rights, whether class, individual or otherwise, including any claims for costs, expenses, penalties, or fees (including attorneys' fees, expert fees, and consulting fees), for any kind of relief whatsoever (including injunctive relief, monetary relief, damages, punitive damages, restitution, reimbursements, disgorgement, and economic injury) that are based upon the failure of the Defendants to use the correct mortality tables to calculate option-plan retirement benefits for Class Members in accordance with the decision of the Supreme Court of Georgia in Plymel v. Teachers Retirement System of Georgia or upon the application to the calculation of such benefits of any rule or resolution of ERS or its Board that imposes a limit of ninety per cent (90 %) of a member's highest salary or compensation on the amount of retirement benefits ERS may pay. This release shall not extend to any other claim of any Class Member relating to the calculation or determination of benefits owed or claimed to be owed by ERS to such Class Member, including, without limitation, any claim relating to ERS' formulas for calculation of benefits; to any error or claimed error in calculating option-plan retirement benefits other than the error of using incorrect mortality tables or imposing a limit of ninety per cent (90 %) of a member's highest salary or compensation on the amount of retirement benefits; or to application of any limitation on the size or amount of retirement benefits other than the limit of ninety per cent (90 %) of a member's highest salary or compensation. By excluding matters from the scope of this release, the Parties do not agree or intend to suggest that meritorious claims relating to such matters may exist but rather agree that such matters (including not only the specific example provided above but also the other more generally described matters above) are outside the scope of this Action and are preserved, if any such claims exist.

B. Plaintiff and all other Class Members, on their own behalf and on behalf of all other Releasors agree, covenant and acknowledge that neither they nor anyone acting on their behalf shall now or hereafter initiate, participate in, maintain, or otherwise bring any action, suit, cause of action, claim, or demand, either directly or indirectly, derivatively, on their own behalf, or on behalf of the Class or the general public, or any other person or entity, against the Releasees based upon the failure of the Defendants to use the correct mortality tables to calculate option-plan retirement benefits for Class Members in accordance with the decision of the Supreme Court of Georgia in Plymel v. Teachers Retirement System of Georgia or upon the application to the calculation of such benefits of any rule or resolution of ERS or its Board that imposes a limit of ninety per cent (90 %) of a member's highest salary or compensation on the amount of retirement benefits ERS may pay. This agreement, covenant and acknowledgment shall not extend to any other claim of any Class Member relating to the calculation or determination of benefits owed or claimed to be owed by ERS to such Class Member, including, without limitation, any claim relating to ERS' formulas for calculation of benefits; to any error or claimed error in calculating option-plan retirement benefits other than the error of using incorrect mortality tables or imposing a limit of ninety per cent (90 %) of a member's highest salary or compensation on the amount of retirement benefits; or to application of any limitation on the size or amount of retirement benefits other than the limit of ninety per cent (90 %) of a member's highest salary or compensation. By excluding matters from the scope of this covenant and acknowledgment, the Parties do not agree or intend to suggest that meritorious claims relating to such matters may exist but rather agree that such matters (including not only the specific example provided above but also the other more generally described matters above) are outside the scope of this Action and are preserved, if any such claims exist.

C. Plaintiff and all other Class Members and all the other Releasors, and anyone acting on their behalf or for their benefit, without limitation, are precluded and estopped from bringing any action, suit, cause of action, claim, or demand in the future based upon the failure of the Defendants to use the correct mortality tables to calculate option-plan retirement benefits for Class Members in accordance with the decision of the Supreme Court of Georgia in Plymel v. Teachers Retirement System of Georgia

or upon the application to the calculation of such benefits of any rule or resolution of ERS or its Board that imposes a limit of ninety per cent (90 %) of a member's highest salary or compensation on the amount of retirement benefits ERS may pay. This preclusion and estoppel shall not extend to any other claim of any Class Member relating to the calculation or determination of benefits owed or claimed to be owed by ERS to such Class Member, including, without limitation, any claim relating to ERS' formulas for calculation of benefits; to any error or claimed error in calculating option-plan retirement benefits other than the error of using incorrect mortality tables or imposing a limit of ninety per cent (90 %) of a member's highest salary or compensation on the amount of retirement benefits; or to application of any limitation on the size or amount of retirement benefits other than the limit of ninety per cent (90 %) of a member's highest salary or compensation. By excluding matters from the scope of this preclusion and estoppel, the Parties do not agree or intend to suggest that meritorious claims relating to such matters may exist but rather agree that such matters (including not only the specific example provided above but also the other more generally described matters above) are outside the scope of this Action and are preserved, if any such claims exist.

YOUR RIGHTS AND OPTIONS

8. What happens if I am currently receiving payments and I do nothing at all?

You don't have to do anything to keep receiving the payments ERS is currently paying you. By doing nothing, you are agreeing with the terms of the settlement and will be eligible to receive **additional** money if the new calculations produce an adjustment for you. Any attorneys' fees or costs will be paid only from the amounts awarded for **additional** benefits you receive and will not be deducted from what you are currently receiving from ERS. How attorneys' fees and costs will be paid from this additional money is explained in Question 12, below. Also, if you haven't excluded yourself from the Class under the terms of the notice that the Court ordered sent in 2008, you will be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

9. What if I am an heir or have an interest in the estate of someone who received option-plan retirement benefits from ERS?

If you are an heir or have an interest in the estate of someone who received option-plan retirement benefits from ERS and want to participate in the settlement but have not already been in contact with The Garden City Group to provide your contact information, please review and follow the directions in the notice that was sent pursuant to the Court's Order of September 4 and 25, 2008. You can disregard any due date in that notice for getting in touch with The Garden City Group, Inc. You can obtain a copy of the earlier notice at www.erssuit.com or by calling The Garden City Group at 1-800-893-4364. You can also write to The Garden City Group at _____. If you have any questions about whether The Garden City Group has your information on file, please get in touch with them at the above number or address.

THE LAWYERS REPRESENTING YOU

10. Do I have a lawyer in this case?

The Court decided that the law firms of Gregory & Forehand of Cordele, Georgia; Cook & Connelly of Summerville, Georgia; and Rogers & Hardin of Atlanta, Georgia are qualified to represent you and all Class Members. Together the law firms are called "Class Counsel." They are experienced in handling similar class action cases.

11. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. However, you may choose to hire a different attorney to make an appearance on your behalf in this case. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you. But even if you do get your own lawyer, the fees and costs of Class Counsel will still be deducted from any benefits you may receive, as explained below.

12. How will the lawyers be paid?

As part of the settlement, Class Counsel have agreed to limit the percentage that they will ask the Court to award them as compensation and expenses to 25 % of the amounts that Class Members can recover. ERS has agreed not to oppose an award up to that percentage. The Court will consider Class Counsel's application for an award in connection with its decision whether to approve the settlement or not. The Court may award less than Class Counsel have requested. In addition, William Willis is a Class member like you, and the Court accepted him as the "Class Representative." He will be asking the Court, in connection with the settlement, to pay him an appropriate award for his services.

OBJECTING TO THE SETTLEMENT

You can tell the Court if you don't agree with the settlement or some part of it.

13. How do I tell the Court if I don't like the settlement?

You can object to the settlement entirely or any portion of it. The Court will consider your views as it decides whether to approve the settlement. To object to the settlement, you must send in a written objection in the case. Be sure to include the following information:

- Name of the case (Willis, et al. v. Employees Retirement System of Georgia, et al.), case number (No. 2007-CV-128923), your full name, address, telephone number, and signature;
- Statement of each objection being made;
- Detailed description of the legal basis/authorities underlying each objection;
- Statement of whether you or your attorney intend to appear at the Fairness Hearing;
- List of any witnesses you intend to call at the Fairness Hearing, and a description of the testimony to be offered; and
- List of exhibits and copies of all exhibits you intend to offer at the Fairness Hearing.

You must mail your objection so that it is received by July __, 2009, to all four addresses listed below:

Court	Class Counsel	Defense Counsel
Clerk of Court Superior Court of Fulton County Attention: _____ [Add address]	David A. Forehand, Jr., Esq. Gregory & Forehand 602 East 16th Avenue Suite D Cordele, GA 31015 Richard H. Sinkfield, Esq. Rogers & Hardin LLP 2700 International Tower	Annette M. Cowart, Esq. Senior Assistant Attorney General Christopher A. McGraw, Esq. Assistant Attorney General Office of the Attorney General 40 Capital Square, S.W. Atlanta, GA 30334

	229 Peachtree St., NE Atlanta, GA 30303	
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THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend, and you may ask to speak, but you don't have to.

14. When and where will the Court decide whether to approve the settlement?

The Court has scheduled a Fairness Hearing at 10:00 a.m. on July 8, 2009, at the Courthouse for the Superior Court of Fulton County, Courtroom 9J, 136 Pryor Street, Atlanta, Georgia 30316. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak about an objection (see Question 13 above). The Court may also decide how much to award Class Counsel as fees for representing the Class. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take. The hearing may be moved to a different date without additional notice, so it is a good idea to check www.erssuit.com for updated information.

15. Do I have to come to the hearing?

No. Class Counsel will answer questions that the Court may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you filed and mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

16. May I speak at the hearing?

If you submitted an objection to the settlement (see Question 13), you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a notice saying that it is your or your attorney's intention to appear in Willis, et al. v. Employees Retirement System of Georgia, et al., Civil Action No. 2007-CV-128923. Your notice of intention to appear must be received by July __, 2009, and must be sent to the addresses listed in Question 13.

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you may receive repayment of amounts and adjustment of future benefits depending upon the effect of the correct mortality tables on your own individual calculation, depending upon the ruling on the ERS rule that imposes a limit of ninety per cent (90%) of a member's highest salary or compensation on the amount of retirement benefits ERS may pay, and depending upon the outcome on rulings on the statute of limitations. Also, you will not be able to sue ERS for the claims resolved in this case, ever again.

GETTING MORE INFORMATION

18. How do I get more information about the settlement?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement, which is available at www.erssuit.com or by calling 1-800-893-4364. If you have questions, visit the website, call toll free, or write to _____, PO Box __, _____.

PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS.

LEGAL NOTICE

Are you receiving payments from the Employees Retirement System of Georgia? Are you an heir or do you have an interest in the estate of someone who received payments from the Employees Retirement System of Georgia before his or her death?

A court authorized this notice. This is not a solicitation from a lawyer.

If so, you may be affected by a class action lawsuit in which the Court has ruled that the Employees Retirement System of Georgia ("ERS") miscalculated and underpaid retirement benefits.

The lawsuit is called *Willis, et al. v. Employees Retirement System of Georgia, et al.*, No. 2007-CV-128923, and it is pending in the Superior Court of Fulton County, Georgia. The Court decided this lawsuit should be a class action on behalf of a "Class," or group of people, that may include you. The Court ordered on September 4 and 25, 2008 that notice that the case is pending be given to the Class, and you may have seen the notice that was sent out following those orders. For more information, you can review and obtain a copy of that earlier notice on-line at the website at www.erssuit.com or call 1-800-893-4364.

This lawsuit is one of several cases pending in the Superior Court of Fulton County, Georgia in which the plaintiffs assert claims arising from failure by certain state retirement systems to properly calculate retirement benefits when a retiree chooses an "option plan" retirement. The first-filed case is *Plymel v. Teachers Retirement System of Georgia*. Both the Court and the parties have previously recognized that the decisions on the applicable law in *Plymel* (both in the Superior Court and on appeal) in substantial respects have applied and will apply to the other cases, including this case.

This summary notice relates to two upcoming hearings in this case, both of which are discussed in greater detail in a longer notice that describes the issues to be considered at the two hearings in more detail. The longer notice is available at the website at www.erssuit.com or can be obtained by writing to The Garden City Group at _____. You may also call 1-800-893-4364. That longer notice should not be confused with the notice sent pursuant to the Court's orders of September 4 and 25, 2008.

The first hearing is currently set for May 18, 2009 and relates to a proposed resolution of the *Plymel* case that can have an effect on the outcome of this case. If you wish to object to the proposed agreement in the *Plymel* case or attend the hearing, you will need to file papers with the Clerk of the Superior Court by May 14, 2009. For more information, please carefully read the section of the longer notice titled "The May 18, 2009 Hearing and the Proposed Resolution of *Plymel*."

The second hearing is currently set for July 8, 2009 and relates to a proposed settlement of **this case**. This second hearing is related to the May 18, 2009 hearing because the terms of the proposed settlement of this case are tied to the terms on which the *Plymel* case comes to a conclusion. If you wish to object to the proposed settlement in this case or attend the July 8, 2009 hearing, you will need to file papers with the Clerk of the Superior Court by July ___, 2009. For more information, please carefully read the section of the longer notice titled "The July 8, 2009 Hearing and the Proposed Settlement of This Case."

If you are part of the Class, you will be bound by whatever results from the upcoming court hearings.

ARE YOU INCLUDED IN THE CLASS?

Persons who retired as members of ERS during the period March 1, 1992 through February 28, 2007 who decided to take a reduced benefit when they retired so that someone else could also receive a benefit after their death (an "option-plan retirement") may be affected by the lawsuit. In addition, persons may be affected who were named to receive and did receive benefits after the deaths of these retirees, as well as the estates of both the retirees and of the persons named to receive benefits after their deaths. Also, persons may be affected who began to receive benefits during the period March 1, 1992 through February 28, 2007 because they were named as beneficiaries by members of ERS who died in service before retiring.

WHAT IS THIS CASE ABOUT?

The Plaintiff contends in the lawsuit that ERS miscalculated payments to retirees who decided to take an option-plan retirement, to persons the retirees named as their beneficiaries, and to persons who received benefits after a member died in service before retiring. ERS has agreed and the Court has ruled that ERS miscalculated and underpaid certain benefits by failing to use the correct mortality tables when calculating option-plan retirement benefits. As a result, a number of retirees and beneficiaries have received lesser benefits since 1992 than they were entitled to receive.

WHO REPRESENTS YOU?

The Court approved Gregory & Forehand of Cordele, Georgia; Cook & Connelly of Summerville, Georgia; and Rogers & Hardin of Atlanta, Georgia to represent you as "Class Counsel."

WHAT ARE THE PROPOSED RESOLUTIONS OF THE PLYMEL CASE AND OF THIS CASE?

Two of the questions to be decided in the Plymel case and in this case are (1) the correct statute of limitations to be applied to the claims of class members, and (2) the time at which the statute of limitations begins to run on the claims of class members. Statutes of limitations are provisions that cut off or preclude a claim that arose at a time that, under the law, is considered to have been too long ago to be the subject of a lawsuit.

The Court of Appeals of Georgia ruled on February 19, 2009 that class members' claims in Plymel are subject to a six-year statute of limitations. The Court of Appeals also ruled that the statute of limitations begins to run (or operates) such that, even if class members in Plymel first began to receive benefits more than six years before the case was filed, they can recover amounts that they should have been paid in the six years before the case was filed as well as amounts that they should have been paid in the years since the case was filed. They can also recover an upward adjustment of their future benefits. Under the Court of Appeals' rulings, class members in Plymel will not recover any amounts relating to benefits paid more than six years before the case was filed. You can review a copy of the Court of Appeals opinion at the website at www.erssuit.com.

The parties have proposed to resolve the Plymel appeal by foregoing pursuit of any further appeal to the Georgia Supreme Court. Under this proposed resolution, the Court of Appeals' rulings on the statute of limitations would be the law governing payments to Class Members in Plymel. You can read more about for this proposed agreement in the section of the longer notice titled "The

May 18, 2009 Hearing and the Proposed Resolution of Plymel."

Under the proposed settlement of this case discussed below and in the longer notice that you can obtain, the parties would agree to apply the final rulings in Plymel on the statute of limitations to this case, whether those rulings become final in Plymel because the parties agree not to pursue a further appeal or because a further appeal sets the final law. If the proposed resolution in Plymel is finally approved and if the proposed settlement in this case is also finally approved, then the Court of Appeals' rulings on the statute of limitations described earlier in this notice would be the law governing both Plymel and this case.

This case was filed on January 31, 2007 so that the date of January 31, 2001 begins the time for which recoveries are permitted in this case if the Court of Appeals' rulings in Plymel are in effect when the Plymel appeal finally concludes. Under those rulings, class members in this case who retired before January 31, 2001, as well as beneficiaries who first received benefits before January 31, 2001, should be able to seek some amount of increased back benefits but only for the period since January 2001, as well as an adjustment of their future benefits. No estate of any ERS retiree or beneficiary who received benefits before January 31, 2001 but then died before January 31, 2001 will receive any recovery if the Court of Appeals' ruling becomes the governing rule in this case.

Under the proposed settlement of this case, payment of amounts owed to Class Members for whom ERS does not contest liability (those Class Members who first began to receive benefits on or after January 31, 2001), as well as adjustment of their future benefits, should commence in the early summer of 2009. Payment and adjustment of future benefits for other Class Members would be held up until the Plymel case concludes on the statute of limitations and the rulings in that case on the statute of limitations can be applied to decide which of the other Class Members can recover and how much. Depending upon the outcome in Plymel, the other Class Members may or may not get any payments as a result of this case.

Please be aware that whether individual Class Members will receive any money will depend upon the effect of the correct mortality tables on their own individual calculations. In addition, the settlement calls for resolution by the Court of whether or not ERS' rule is valid that imposes a limit of ninety per cent (90%) of a member's highest salary or compensation on the amount of retirement benefits ERS may pay. A number of Class Members are not expected to receive any payment as a result of re-calculations using correct mortality tables if this rule is upheld.

As part of the settlement, Class Counsel have agreed to limit the percentage that they will ask the Court to award them as compensation and expenses to 25 % of the amounts that Class Members can recover, and ERS has agreed not to oppose an award up to that percentage. The Court will consider Class Counsel's application for an award in connection with its decision whether to approve the settlement or not. The Court may award less than Class Counsel have requested. In addition, William Willis is a Class member like you, and the Court accepted him as the "Class Representative." He will be asking the Court, in connection with the settlement, to pay him an appropriate award for his services.

WHAT ARE YOUR OPTIONS ON THE PROPOSED RESOLUTIONS OF THE CASES?

You may object to the proposed resolution in Plymel or the proposed resolution in this case, or to any part of either, including to the payment to Class Counsel. **You must decide whether to object in Plymel by May 14, 2009.** You may also appear in Court at the hearing the Court has set on whether or not to approve the proposed agreement in Plymel. To do either of these, there are certain procedures that you must follow. You may also hire your own lawyer to appear in court for you; if you do, you have to pay that lawyer, in addition to having the fees and costs of Class Counsel deducted from additional money you may receive from ERS.

You must decide whether to object to the settlement of this case by July __, 2009. You may also appear in Court at the hearing the Court has set on whether or not to approve the settlement in this case. To do either of these, there are certain procedures that you must follow. You may also hire your own lawyer to appear in court for you; if you do, you have to pay that lawyer, in addition to having the fees and costs of Class Counsel deducted from additional money you may receive from ERS.

For further information, including the procedures that you must follow if you wish to object to either or both of the proposed resolutions or to appear at either or both of the hearings, you should review the longer notice that is available at the website at www.erssuit.com or send a letter to The Garden City Group at _____ to get a copy of the notice. You may also call 1-800-893-4364. Both the notice sent under the Court's Orders of September 4 and 25, 2008 and the more recent notice are available, and you may want to review both of the notices. Information about the settlements and your options and deadlines for exercising your options in light of the proposed settlements are in the more recent notice.